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PALADIN LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 495 and 642 (Preference Shares))

EXERCISE OF RIGHTS OF REDEMPTION, CESSATION OF TRADING IN AND WITHDRAWAL OF LISTING OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES

In accordance with their terms, the Preference Shares will become redeemable at the option of their holders from and including Saturday, 31 December, 2016. The redemption price is HK\$0.25 per Preference Share.

Holders of Preference Shares who wish to redeem them are required to deliver a notice of redemption request together with the original share certificates for redemption. Payment of the amounts due on redemption for Preference Shares in respect of redemption requests received by the Company on 31 December 2016 will be made on 10 January 2017 provided that the original share certificates of the Preference Shares are received by the Company. A form of the notice of redemption request will be sent by the Company to all holders of Preference Shares and published on the website of the Stock Exchange as soon as practicable.

The last date of trading in the Preference Shares will be Friday, 23 December, 2016 and listing of the Preference Shares will be withdrawn from the Stock Exchange after 4:00 p.m. on Friday, 30 December, 2016.

As Saturday, 31 December 2016 to Monday, 2 January, 2017 (both days inclusive) are not business days the office of the Registrars will be closed on those days. The latest time and date for hand delivery of conversion notices and related documents is 4:30 p.m. on Friday, 30 December, 2016. Hand delivery of redemption requests and related Preference Share certificate(s) will be accepted from Tuesday, 3 January, 2017.

After 31 December 2016 all rights of conversion to ordinary shares attached to the Preference Shares will lapse, but the Preference Shares will be redeemable indefinitely.

The Company reminds holders of the Preference Shares that, in accordance with the terms of the Preference Shares, the Preference Shares will become redeemable at the option of their holders at a price of HK\$0.25 per Preference Share from and including Saturday 31 December, 2016. As stated in the Company's prospectus of 22 August, 2006 the last trading day of the Preference Shares will be at least 3 trading days before 31 December, 2016 and the listing of the Preference Shares will be withdrawn.

Please take note that after 31 December 2016 all rights of conversion to ordinary shares attached to the Preference Shares will lapse but the Preference Shares will be redeemable indefinitely.

Any Preference Shareholder who wishes to convert his Preference Shares shall deliver written notice that it elects to convert such number of Preference Shares as specified in the notice together with the relevant share certificates. No form of notice is prescribed for that purpose. Such Preference Shares will be converted into fully-paid ordinary shares at a conversion price of HK\$0.24 per Preference Share. Preference Shareholders shall not be required to pay any further amount on conversion of their Preference Shares into ordinary shares.

The Company shall promptly and, in any event no later than 7 Business Days after the date of receipt of the relevant certificate(s) issue and deliver (a) certificate(s) for the number of ordinary shares into which the Preference Shares are converted.

No fraction of any ordinary share shall be issued upon conversion of the Preference Shares. Fractional entitlements shall be ignored and no sum shall be returned to the converting Preference Shareholder in respect thereof.

The attention of Preference Shareholders who wish to convert their preference Shares is drawn to the detailed terms of the Preference Shares in the Company's Bye laws which are available on the website of the Stock Exchange at <http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0330/LTN201203307094.pdf>.

The expected timetable is set out below.

2016

Last date of trading in Preference Shares on
the Stock Exchange Friday, 23 December

Cessation of trading in Preference Shares
on the Stock Exchange after 4:00 p.m.
on Friday, 23 December

Withdrawal of listing of the Preference Shares after 4:00 p.m.
on Friday, 30 December

Latest time for hand delivery of conversion notice to
convert Preference Shares 4:30p.m.
on Friday, 30 December

2017

First day for delivery of redemption requests and
related documents Tuesday, 3 January

Any changes to this timetable will be announced.

REDEMPTION ARRANGEMENT

All holders of Preference Shares who wish to have their Preference Shares redeemed and be paid the redemption moneys on Tuesday, 10 January, 2017 should deliver a request for redemption together with the original share certificates for their Preference Shares on 31 December 2016 to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for the purposes of the Redemption. A form of the notice of redemption request will be sent by the Company to all holders of Preference Shares and published on the website of the Stock Exchange as soon as practicable. Holders of Preference Shares are requested to use only that form to request redemptions of their Preference Shares.

Holders of Preference Shares who have lost the certificates for their Preference Shares should obtain from the Registrar a form of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Registrar. No acknowledgement of receipt of any Preference Share certificate(s) or any other document(s) of title (and/or any indemnity in respect thereof) will be given.

On and after 31 December, 2016 and indefinitely thereafter, the Company will redeem any outstanding Preference Shares for which a valid notice of redemption request is received by the Company. Subject to and upon delivery of the original share certificate of the relevant Preference Shares and/or indemnity as stated above, the Company will pay the holder of the relevant Preference Shares the redemption price of HK\$0.25 per Preference Share within 7 Business Days from the date of the Company's receipt of the notice of redemption request or the earliest date on which the redemption can take effect under the Companies Act of Bermuda, whichever is later.

Payment is expected to be made on Tuesday, 10 January, 2017 if the redemption request and original share certificates and/or other evidence of title of the Preference Shares are received on or after 31 December, 2016 and before Wednesday, 4 January, 2017. For redemption requests received thereafter payment will be made as soon as practicable and in any event within seven business days after receipt. For all redemption requests, the redemption of Preference Shares will not take effect and payment of redemption amounts will not be made until the original share certificates of the relevant Preference Shares and/or indemnity as stated above are received by the Company.

The last date of trading in the Preference Shares will be Friday, 23 December, 2016 and the listing of the Preference Shares will be withdrawn after 4:00 p.m. on Friday, 30 December, 2016.

As Saturday, 31 December 2016 to Monday, 2 January, 2017 (both days inclusive) are not business days the office of the Registrar will be closed on those days. The latest time and date for hand delivery of conversion notices and related documents is 4:30 p.m. on Friday, 30 December, 2016. Hand delivery of redemption requests and related Preference Share certificate(s) will be accepted from Tuesday, 3 January, 2017.

GENERAL

The total number of Preference Shares originally issued by the Company in 2006 was 264,135,807 Preference Shares. 195,202,278 Preference Shares have since been converted into ordinary shares of the Company. At the date of this announcement 68,933,529 Preference Shares remain in issue.

Holders of Preference Shares who are in any doubt as to the action to be taken should consult their licensed securities broker, bank manager, solicitor, professional accountant or other professional advisor.

INTERPRETATION

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Business Day”	a day excluding Saturday and Sunday, on which licensed banks are generally open for business in Hong Kong;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Paladin” or “Company”	Paladin Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Preference Shares”	the convertible redeemable preference shares of HK\$0.25 each in Paladin (Stock Code: 642);
“Registrar”	Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the board of
Paladin Limited
Oung Shih Hua, James
Chairman

Hong Kong, 12 December 2016

At the date of this announcement, the board of directors of Paladin comprises:

Oung Shih Hua, James (*Executive director*)

Chan Chi Ho (*Non-executive director*)

Yuen Chi Wah (*Non-executive director*)

Liu Man Kin Dickson (*Independent non-executive director*)

Huang Weizong Martin (*Independent non-executive director*)

Au Chik Lam Alexander (*Independent non-executive director*)